

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

FM HOLDINGS, LLC, f/k/a
FORWARDMARKET, LLC,

Plaintiff,

v.

BILL MAHONEY and STEPHEN
GREGORIO,

Defendants.

Civil Action No.
05-11400-MLW

JOINT STATUS REPORT REGARDING SETTLEMENT

Pursuant to this Court's Order dated December 29, 2006, the parties hereby report that counsel for the parties continue to engage in settlement discussions, that Plaintiff has made a revised settlement offer, but that the case has not been settled.

In addition, counsel for Defendants yesterday received an amended coverage letter from their insurance carrier denying coverage for the claims in this case. The parties are currently assessing the impact of the letter on the case and on settlement discussions, and will continue to advise the Court.

Dated: January 26, 2006

Plaintiff FM Holdings, LLC
By its attorneys,

/s/ Sanford F. Remz

Sanford F. Remz (BBO #538300)
Kevin S. Murphy (BBO #638335)
Yurko, Salvesen & Remz, P.C
One Washington Mall, 11th Floor
Boston, MA 02108
(617) 723-6900

Defendants Bill Mahoney and
Stephen Gregorio
By their attorneys

/s/ Timothy C. Blank

Timothy C. Blank (BBO #548670)
Michael Shin (BBO #658134)
Matthew M. Lyons (BBO #56576 85)
Dechert LLP
200 Clarendon Street, 27th Floor
Boston, MA, 02116
(617) 728-7100

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